

**PUBLIC EMPLOYEES' RETIREMENT BOARD**  
**100 N Park, Rm 218**  
**Helena MT 59620**

**Board Legislative Committee Minutes**  
**Tuesday, February 15, 2011**  
**12:30 pm**

Committee Members (present via telephone):

Dianna Porter, Chair  
John Nielsen  
Terrence Smith

Other Board Members (present via telephone):

Darcy Halpin  
Scott Moore

Staff:

Roxanne Minnehan  
Melanie Symons  
Barbara Quinn  
Patricia Davis  
Mike O'Connor  
Jenny Weigand  
Flora Sebens  
Ralph Pomnichowski

**I. Roll Call**

**II. Public/Member Comment** – No public comment.

**III. Approval of February 1, 2011 Legislative Committee Meeting Minutes**

The minutes of the Board Legislative Committee meeting of February 1, 2011, were presented.

*Motion: Committee Board Member Terrence Smith moved to approve the minutes of the February 1, 2011, Board Legislative Committee meeting.*

*Second: Committee Board Member John Nielsen*

*Vote: 3/0*

**IV. Approval of February 8, 2011 Legislative Committee Meeting Minutes**

The minutes of the Board Legislative Committee meeting of February 8, 2011, were presented.

*Motion: Committee Board Member John Nielsen moved to approve the minutes of the February 8, 2011, Board Legislative Committee meeting.*

*Second: Committee Board Member Terrence Smith*

*Vote: 3/0*

**V. Legislation Requiring Board Position**

**A. HB 231 – Repeal Requirements for municipalities to Hire Career Paid Firefighters – Rep Randy Brodehl**

This bill allows Fire Departments to hire volunteer firefighters and does not limit them to just hiring paid employees. The firefighters are opposing the bill and they would like MPERA to be either an informational witness or oppose the bill. Ms. Minnehan mentioned that if municipalities start using volunteers versus paid firefighters membership in the system could start to decline. The bill passed the House Floor and has been referred to the Senate Local Government Committee.

***Motion: Committee Board Member John Nielsen moved to oppose HB231.***

***Second: Committee Board Member Terrence Smith***

***Vote: 3/0***

**B. SB 223 – Revise Volunteer Firefighter Pensions – Sen Ryan Zinke**

Senator Zinke drafted this bill specifically for the Columbia Falls Fire Department. The bill actually addresses the Volunteer's Firefighter's Compensation Act. Columbia Falls is in the Relief Association, which is a different chapter of Title 19; therefore this bill does not address Senator Zinke's concerns. The bill *has* passed the Senate, though, and has been transmitted to the House. Ms. Minnehan mentioned that they are currently testifying as an informational witness and asked the Board to take a position on this bill.

***Motion: Committee Chairwoman moved to oppose the House version of SB223.***

***Second: Committee Board Member John Nielsen***

***Vote: 3/0***

**C. SB 328 – Require PERS new hires to be in DC Plan – Sen Lewis**

Ms. Minnehan noted that this bill used to have a different title. Senator Lewis' original intent with this bill was to cap the benefits in the DB plan and transfer them over to the DC Plan. He changed his proposal to require all new hires join the DC plan. It is being heard tomorrow, even though the fiscal note is not due until 5:00 p.m. tomorrow. This bill also eliminates vesting in the DC Plan. Members are immediately vested the employer contributions and disability benefits. The bill allows inactive unvested members another election to transfer from the DB plan to the DC Plan at 8% instead of 7¾ %. The Governor must include the cost of the unfunded liability in his budget. MPERA will have to report that to the Governor's Office every year.

***Motion: Committee Board Member Terrence Smith moved to oppose SB328.***

***Second: Committee Chairwoman Diann Porter***

***Vote: 3/0***

- D. **LC0820** – *Prohibit retired members from being members of SRS, GWPORS, PERS; increases member contributions for all members in PERS, SRS and GWPORS* – Rep Scott Reichner

The bill states that if an employee is a member of any other retirement system they cannot become a member of the PERS, If an employer does hire a member of another system the employer must pay employer contributions on the employee. The bill also increases employee contributions in this bill by 1% for all current members in these three systems.

**Motion:** *Committee Board Member John Nielsen moved to oppose LC0820.*

**Second:** *Committee Board Member Terrence Smith*

**Vote:** 3/0

**Rationale:** *The Board opposed this bill because they felt it was unconstitutional and they also did not like the fact that a new hire from another system cannot become a member of PERS, SRS or GWPORS.*

- E. **LC0492** – *Generally Revise Retirement Systems* – Rep Wayne Stahl

This bill draft is not available yet; therefore Ms. Minnehan did not have any information to report.

- F. **LC1242** – *Creating an annuity benefit program and closing existing state public retirement systems* – Rep Wayne Stahl

This bill intends to eliminate the State public retirement systems and create an annuity program that is acquired through DOA. There is no funding for the DB plan in this bill.

**Motion:** *Committee Chairwoman Diann moved to oppose LC0492.*

**Second:** *Committee Board Member John Nielsen*

**Vote:** 3/0

## VI. Legislation Update

- A. **HB 192** – *Adjust Exempt Retirement Amounts for Individual Income Tax* – Rep Jerry O'Neil

This bill has been amended to change the exemption amount for individual income tax. If this bill passes the House State Admin Committee the General Fund will decrease by \$1.2 million a year. It passed the committee 5 to 8 with the amendments on February 11, 2011, and is now being transmitted to the House.

- B. **HB 238** – *Revise Membership of Public Employees' Retirement Board* – Bill McChesney

This bill has been tabled.

- C. **HB 313** – *Increase Game Warden Salaries* – Rep Ted Washburn

This bill has been tabled.

- D. **SB 150** – *Provide for protection of rights through actions against public officials – Rep Art Wittich*  
This bill has been tabled.

## **VII. PERB Legislation**

- A. **HB 70** – *General Revisions Bill – Rep Mike Menahan*  
The bill was voted on and passed unanimously. It was transmitted to the floor on February 10, 2011.
- B. **HB 85** – *Working Retiree Bill – PERS, SRS, FURS – Rep Franke Wilmer*  
The bill was voted on and failed 12 to 6 and is now been tabled. The sponsor of the bill, Representative Wilmer, was absent from the hearing and Representative Hands filled in for her.
- C. **HB 119** – *VFCA Revision Bill – Rep Gordon Hendrick*  
There was no new information to report on this bill.
- D. **HB 122** – *PERS Funding Bill – Rep Sue Malek*  
The bill was amended by Representative Knox to remove the increase in the employer contribution rate. The amendment was voted on and passed 15 to 3. The bill was then voted on with the amendment and passed 15 to 3. It is now waiting to be scheduled for a second reading.
- E. **HB 134** – *GWPORS Funding Bill – Rep Carolyn Squires*  
The bill was amended by Representative Knox to remove the employer increase in contribution rates. The amendment was voted on and passed 12 to 6 party line vote. The bill was then voted on with the amendment and passed 12 to 6 party line vote.
- F. **HB 135** – *SRS Funding Bill – Rep Carolyn Squires*  
The bill was amended by Representative Knox to remove the employer increase in contribution rates. The amendment was voted on and passed 13 to 5. The bill was then voted on with the amendment and passed 16 to 2.

Ms. Minnehan asked if the Board still wanted to support the bills with the funding stripped.

**Motion:** *Committee Board Member Terrence Smith moved to continue supporting the passage of HB122, HB134 and HB135.*

**Second:** *Committee Chairwoman Dianna Porter*

**Vote:** 3/0

## **VIII. Other Retirement Legislation**

- A. Utah Hybrid Plan  
There is nothing new to report on this bill at this time.

B. **HB 197** – *Constitutional Amendment – Rep Brian Hoven*

This bill is scheduled to have Executive Action taken on it on February 16, 2011. Ms. Melanie Symons, MPERA Chief Legal Counsel, mentioned that she had emailed all of the Committee Members the bullet points from the White Paper and mentioned that Ms. Minnehan also cites these points in her blog. Ms. Jenny Weigand, MPERA Education Supervisor, agreed to draft a press release in the event that the bill was passed that could be immediately sent to the media stating our opposition to this bill and why.

C. **HB 317** – *Sunset Statutory Appropriations Over Certain Periods – Rep Rob Cook*

They have not taken Executive Action yet on this bill.

D. **SB 113** – *Transfer Statutory Excess Retirement Funds in Trust by School Districts to TRS/PERS – Senator Larry Jent*

There is nothing new to report on this bill at this time.

A. **SB 229** – *Revise Laws Relating to State-Tribal Coop Agreements Act and PERS – Rep Jon Sonju*

The committee asked Representative Sonju to amend this bill to only apply to irrigation districts. The amendment and the bill passed unanimously 8 to 0 on February 11, 2011. The bill still does not provide for approval by the Internal Revenue Service. Ms. Minnehan asked for direction from the Board on how to testify when this bill is heard.

**Motion:** *Committee Board Member John Nielsen moved to be an informational witness until the additional amendment is passed.*

**Second:** *Committee Board Member Terrence Smith*

**Vote:** 3/0

**IX. Other Related Legislation**

A. **SB 120** – *Publishing of Appointed Members to all State Agency Boards – Rep. John Brenden*

This bill transferred to the House and is now waiting to be scheduled for hearing.

B. **LC 1103** – *Revise MAPA Relating to Decisions in Contested Case Proceedings – Rep Steve Fitzpatrick*

This bill was ready for delivery on January 26, 2011 but has not been picked up yet.

C. **LC2018** (HB508) – *Require Payment of Partial Salary to Injured Rural Firefighter – Rep Mary McNally*

There is a hearing scheduled for this bill on Thursday in the Local Government Committee.

- X. The meeting was adjourned at 1:45 p.m. by Chairwoman Dianna Porter. The next meeting will be on Tuesday, February 22, 2011, at 10:30 a.m.**